

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>WOODSTOCK TOWNSHIP</b>	County <b>LENAWEE</b>
Audit Date <b>6/30/04</b>	Opinion Date <b>6/29/04</b>	Date Accountant Report Submitted to State: <b>8/9/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

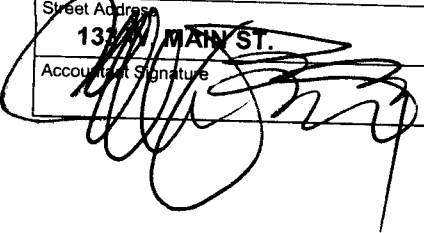
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings. (P.A. 275 of 1980).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

## We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>PHILIP R. RUBLEY, CPA</b>			
Street Address <b>131 MAIN ST.</b>	City <b>MORENCI</b>	State <b>MI</b>	ZIP <b>49256</b>
Accountant Signature 		Date <b>6/29/04</b>	

**WOODSTOCK TOWNSHIP**

**Lenawee County**

**Annual Financial Report**

**March 31, 2004**

WOODSTOCK TOWNSHIP  
Comprehensive Annual Report  
Year Ended March 31, 2004

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# PHILIP R. RUBLEY

- Certified Public Accountant -

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF  
AMERICAN INSTITUTE OF C.P.A.'s  
& THE MICHIGAN ASSOCIATION OF C.P.A.'s

June 29, 2004

Township Board  
Woodstock Township  
Lenawee County  
Cement City, MI 49233

## Independent Auditor's Report

We have audited the accompanying general purpose financial statements of Woodstock Township, Lenawee County, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of Woodstock Township management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Woodstock Township, Lenawee County, Michigan, as of March 31, 2004, and the results of its operations and cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

  
Philip R. Rubley, CPA  
Morenci, Michigan

PRR/cab

WOODSTOCK TOWNSHIP  
Combined Balance Sheet - All Fund Types and Account Groups  
March 31, 2004

	<u>Governmental Fund Type</u>	
<u>Assets</u>	<u>General</u>	<u>Special Revenue</u>
Cash		
Certificates of Deposit	\$186,623	\$108,755
	---	---
Receivables:		
Taxes		
Delinquent Sewer Service	48,666	27,565
Interest	---	---
Due from Other Funds	---	---
Prepaid Expenses	91,357	203,645
Land and Buildings	10,459	---
Sewer Plant and Equipment	---	---
Accumulated Depreciation	---	---
Office Equipment	---	---
Police Car	---	---
Long-Term Contract	---	---
	---	---
<b>Total Assets</b>	<u>\$337,105</u>	<u>\$339,965</u>
 <u>Liabilities And Fund Equity</u>		
<u>Liabilities:</u>		
Accounts Payable	\$ ---	\$ 1,189
Current and Long-Term	---	---
Due to Other Funds	1,013	---
Due to Other Authorities	37,311	---
	---	---
<b>Total Liabilities</b>	<u>38,324</u>	<u>1,189</u>
 <u>Fund Equity:</u>		
Contributed Capital Assets	---	---
Retained Earnings	---	---
Fund Balances	298,781	338,776
	---	---
<b>Total Fund Equity</b>	<u>298,781</u>	<u>338,776</u>
	---	---
<b>Total Liabilities and Fund Equity</b>	<u>\$337,105</u>	<u>\$339,965</u>

See accompanying notes to financial statements.

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type Trust And Agency</u>	<u>Account Group General Fixed Assets</u>	<u>Totals (Memorandum Only)</u>  <u>Primary Government</u>
<u>Enterprise</u>			
\$ 249,363	\$305,333	\$ ---	\$ 850,074
16,155	---	---	16,155
5,452	---	---	81,683
6,596	---	---	6,596
---	---	---	---
10,313	---	---	305,315
---	---	---	10,459
3,496,099	---	260,013	260,013
(1,696,262)	---	---	3,496,099
1,200	---	---	(1,696,262)
---	---	23,043	24,243
11,571	---	29,881	29,881
---	---	---	11,571
<u>\$ 2,100,487</u>	<u>\$305,333</u>	<u>\$312,937</u>	<u>\$ 3,395,827</u>
\$ 6,201	\$ ---	\$ ---	\$ 7,390
1,168,800	---	---	1,168,800
---	304,302	---	305,315
---	---	---	37,311
<u>1,175,001</u>	<u>304,302</u>	<u>---</u>	<u>1,518,816</u>
553,909	---	312,937	866,846
371,577	---	---	371,577
---	1,031	---	638,588
<u>925,486</u>	<u>1,031</u>	<u>312,937</u>	<u>1,877,011</u>
<u>\$ 2,100,487</u>	<u>\$305,333</u>	<u>\$312,937</u>	<u>\$ 3,395,827</u>

WOODSTOCK TOWNSHIP  
Combined Statement Of Revenues, Expenditures And Changes In Fund Balances  
All Governmental Fund Types  
March 31, 2004

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Primary Government</u>
<b><u>Revenues:</u></b>			
Taxes	\$ 98,738	\$249,823	\$348,561
State Grants	204,800	2,221	207,021
Licenses and Permits	30,539	---	30,539
Miscellaneous Revenues	44,290	3,466	47,756
<b>Total Revenues</b>	<u>378,367</u>	<u>255,510</u>	<u>633,877</u>
<b><u>Expenditures:</u></b>			
Current:			
Legislative	29,311	---	29,311
General Government	100,854	---	100,854
Public Safety	217,018	203,803	420,821
<b>Total Expenditures</b>	<u>347,183</u>	<u>203,803</u>	<u>550,986</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	31,184	51,707	82,891
<b><u>Other Financing Sources (Uses:</u></b>			
Operating Transfers In	---	---	---
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures And Other Uses</b>	31,184	51,707	82,891
<b>Fund Balance - April 1, 2003</b>	<u>267,597</u>	<u>287,069</u>	<u>554,666</u>
<b>Fund Balances - March 31, 2004</b>	<u>\$298,781</u>	<u>\$338,776</u>	<u>\$637,557</u>

See accompanying notes to financial statements.

WOODSTOCK TOWNSHIP  
Combined Statement Of Revenues, Expenditures And Changes In  
Fund Balances - Actual And Budget  
All Governmental Fund Types  
March 31, 2004

	<u>General Fund</u>		Variance
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<b><u>Revenues:</u></b>			
Taxes	\$ 98,738	\$ 94,665	\$ 4,073
State Grants	204,800	202,500	2,300
Licenses and Permits	30,539	18,500	12,039
Miscellaneous Revenues	44,290	31,250	13,040
<b>Total Revenues</b>	<u>378,367</u>	<u>346,915</u>	<u>31,452</u>
<b><u>Expenditures:</u></b>			
Legislative	29,311	46,250	16,939
General Government	100,854	111,031	10,177
Public Safety	217,018	258,975	41,957
<b>Total Expenditures</b>	<u>347,183</u>	<u>416,256</u>	<u>69,073</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	31,184	(69,341)	100,525
<b><u>Other Financing Sources (Uses:</u></b>			
Operating Transfers In	---	---	---
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures And Other Uses</b>	31,184	(69,341)	100,525
<b>Fund Balance - April 1, 2003</b>	<u>267,597</u>	<u>267,597</u>	---
<b>Fund Balances - March 31, 2004</b>	<u>\$298,781</u>	<u>\$198,256</u>	<u>\$100,525</u>

See accompanying notes to financial statements.



<u>Special Revenue Funds</u>		<u>Special Revenue Funds Variance Favorable (Unfavorable)</u>	<u>Total (Memorandum Only) Primary Government</u>		<u>Variance Favorable (Unfavorable)</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
\$249,823	\$246,217	\$ 3,606	\$348,561	\$340,882	\$ 7,679
2,221	2,500	(279)	207,021	205,000	2,021
---	---	---	30,539	18,500	12,039
3,466	268	3,198	47,756	31,518	16,238
<u>255,510</u>	<u>248,985</u>	<u>6,525</u>	<u>633,877</u>	<u>595,900</u>	<u>37,977</u>
---	---	---	---	---	---
14,150	32,915	18,765	29,311	46,250	16,939
189,653	216,070	26,417	115,004	143,946	28,942
<u>203,803</u>	<u>248,985</u>	<u>45,182</u>	<u>406,671</u>	<u>475,045</u>	<u>68,374</u>
			<u>550,986</u>	<u>665,241</u>	<u>114,255</u>
51,707	---	51,707	82,891	(69,341)	152,232
---	---	---	---	---	---
51,707	---	51,707	82,891	(69,341)	152,232
<u>287,069</u>	<u>287,069</u>	---	<u>554,666</u>	<u>554,666</u>	---
<u>\$338,776</u>	<u>\$287,069</u>	<u>\$51,707</u>	<u>\$637,557</u>	<u>\$485,325</u>	<u>\$152,232</u>

WOODSTOCK TOWNSHIP  
Statement Of Revenues, Expenses And Changes In Retained Earnings  
Proprietary Fund Type  
March 31, 2004

	<u>Proprietary Fund Type</u> <u>Sewer Fund</u>
<b>Operating Revenues:</b>	
Sewer Connections	\$ 5,900
Sewer Assessments	89,795
Sewer Usage	91,635
Penalties and Interest on Sewer Billing	<u>4,593</u>
<b>Total Operating Revenues</b>	<u>191,923</u>
<b>Operating Expenses:</b>	
Sewer User Fees	93,723
Sewer Billing Expense	<u>2,037</u>
<b>Total Operating Expenses</b>	<u>95,760</u>
<b>Net Operating Income Before Depreciation</b>	96,163
<b>Less: Depreciation</b>	<u>88,683</u>
<b>Operating Income</b>	<u>7,480</u>
<b>Non-Operating Revenues (Expenses):</b>	
Interest on Investments	4,096
Interest Expense	<u>(29,850)</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(25,754)</u>
<b>Net Income</b>	(18,274)
<b>Retained Earnings - April 1, 2003</b>	<u>389,851</u>
<b>Retained Earnings - March 31, 2004</b>	<u>\$371,577</u>

See accompanying notes to financial statements.

WOODSTOCK TOWNSHIP  
Statement Of Cash Flows  
Proprietary Fund Type  
March 31, 2004

	<u>Proprietary Fund Type</u> <u>Sewer Fund</u>
<b><u>Cash Flows From Operating Activities:</u></b>	
Cash Received from Customers	\$192,753
Cash Payments for Sewer Usage	(87,522)
Cash Payments for Billing Expense	(2,037)
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>103,194</u>
<b><u>Cash Flows From Non-Capital Financing Activities:</u></b>	
Receipts from Interfund Loans	549
<b>Net Cash Provided (Used) By Non-Capital Financing Activities</b>	<u>549</u>
<b><u>Cash Flows From Capital And Related Financing Activities:</u></b>	
Principal on Bonds Paid	(50,400)
Interest on Bonds Paid	(29,850)
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<u>(80,250)</u>
<b><u>Cash Flows From Investing Activities:</u></b>	
Investment Income	4,134
Principal Received on Long-Term Contract	696
<b>Net Cash Provided (Used) By Investing Activities</b>	<u>4,830</u>
<b>Net Increase In Cash</b>	28,323
<b>Cash and Cash Equivalents - Beginning</b>	<u>237,195</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$265,518</u>
<b><u>Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</u></b>	
Net (Loss) Income	\$(18,274)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:	
Depreciation	88,683
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Receivables	868
(Increase) Decrease in Prepaid Expenses	549
(Increase) Decrease in Long-Term Contract Receivable	696
Increase in Accounts Payable	6,201
<b>Net Cash Provided By (Used For) Operating Activities</b>	<u>78,723</u>
<b>Net Cash Used For Investing Activities</b>	---
Purchase of Property, Plant and Equipment	
<b>Net Cash Provided By Capital and Related Financing Activities</b>	
Principal Paid on Bonds Payable	(50,400)
<b>Increase (Decrease In Cash</b>	28,323
<b>Cash and Cash Equivalents - Beginning</b>	<u>237,195</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$265,518</u>

See accompanying notes to financial statements.

WOODSTOCK TOWNSHIP  
Statement Of Revenues, Expenditures And Changes In Fund Balance  
Expendable Trust Fund  
March 31, 2004

	<u>Cemetery</u> <u>Endowment Fund</u>
Revenues:	
Interest	\$ 16
Expenditures	---
Excess (Deficiency) of Revenues Over (Under) Expenditures	16
Fund Balance - April 1, 2003	<u>1,015</u>
Fund Balance - March 31, 2004	<u>\$1,031</u>

See accompanying notes to financial statements.

**WOODSTOCK TOWNSHIP**  
**Notes To Financial Statements**  
**March 31, 2004**

**Note 1: Summary of Significant Accounting Policies:**

The accounting policies of Woodstock Township conform to accounting principles generally accepted in the United States of America, as applicable to governmental units.

The following significant accounting policies were applied in the preparation of the accompanying financial statements:

**Reporting Entity -**

The Township, following the guidelines of the Governmental Accounting Standards Board's Statement Number 14 and Statement on Michigan Governmental Accounting and Auditing Number 5 (issued by the State Treasurer), has determined that no entities should be consolidated into its general purpose financial statements as component units. Therefore, the Township's reporting entity consists only of the primary government.

**Fund Accounting -**

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Township resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and three broad fund categories as follows:

**GOVERNMENTAL FUNDS**

**General Fund -**

The General Fund is the General Operating Fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds -**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The Township's Street Lighting, Liquor Law Enforcement and Fire Expense Fund are of this fund type. The Township established the Fire Expense Fund in October of 1988, and approved the additional millage required to operate this fund. Ambulance and rescue services are provided for in this fund, as well as fire.

**Capital Projects Fund -**

Capital Projects Fund is used to account for the purchase and/or construction of capital projects. Capital projects are capital outlays involving major permanent facilities having a relatively long useful life. There was no activity in this fund during the year.

**PROPRIETARY FUNDS**

**Enterprise Funds -**

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for

**WOODSTOCK TOWNSHIP**  
**Notes To Financial Statements**  
**March 31, 2004**

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capital maintenance, public policy, management control, accountability or other purposes. The Sewer Fund of the Township is accounted for as an Enterprise Fund.

**FIDUCIARY FUNDS**

**Trust and Agency Funds -**

Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These include the Trust and Agency, Current Tax and Cemetery Endowment Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Fixed Assets -**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

**Fixed Assets -**

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund Balance sheets. Depreciation has been provided over the estimated useful life using the straight-line method. The estimated useful lives are as follows:

Sewer Plant	40 years
Sewer Plant Office Equipment	10 years

**Basis of Accounting -**

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when received in cash, except for those susceptible to accrual, which are recorded as receivables when they become both measurable and available to finance expenditures of the current period. Significant revenues susceptible to accrual include property taxes, reimbursement type grants and charges for services.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred provided the liability normally would be liquidated with expendable available financial resources. The major exception to this general rule is principal and interest on general long-term debt which is generally recognized when due.

**WOODSTOCK TOWNSHIP**  
**Notes To Financial Statements**  
**March 31, 2004**

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All governmental funds are accounted for on a spending or "current financial resources" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources".

Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financial uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

**Budget Basis Of Accounting -**

Operating budgets are adopted at the activity level for all governmental fund types each fiscal year on a basis consistent with accounting principles generally accepted in the United State of America (GAAP) which is the modified accrual basis used to reflect actual revenues and expenditures. Reported budgeted amounts are as originally adopted or as amended by the Township Board. The Township does not utilize a formal encumbrance system.

**Total Columns On Combined Statements -**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

**Cash and Cash Equivalents -**

Amounts reported as cash and cash equivalents includes amounts in demand deposits as well as certificates of deposits, with an original maturity of three months or less.

**Investments -**

The Township had no investments at March 31, 2004.

**Receivables -**

All receivables are reported at their net value by being reduced, where appropriate, by the estimated portion that is expected to be uncollectible.

**Short-Term Interfund Receivables / Payables -**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables".

**Deferred Compensation Plan -**

The Township has no deferred compensation plan.

**Long-Term Obligations -**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only

WOODSTOCK TOWNSHIP  
Notes To Financial Statements  
March 31, 2004

that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations, if any, would be reported in the general long-term account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**Fund Equity -**

Contributed capital is recorded in Proprietary Funds that have received capital grants or contributions from other governmental entities, developers, customers, or other funds. Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. Designated fund equity represents tentative plans for future use of financial resources.

**Interfund Transactions -**

During the course of normal operations, the Township has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers. The amounts recorded as subsidies, advances, or equity contributions are determined by Township management.

**Accumulated Vacation and Sick Leave -**

The Township does not provide for any vacation or sick leave.

**Risk Management -**

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2004, the government carried commercial insurance to cover all risks of losses. The government has not settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

**Note 2: Changes In Fixed Assets:**

**General Fixed Assets -**

The following is a summary of changes in General Fixed Assets Account Group for the fiscal year.

	<u>Balance</u> <u>4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>3/31/04</u>
Land	\$ 15,265	\$ ---	\$ ---	\$ 15,265
Buildings	238,517	6,231	---	244,748
Equipment	20,249	2,794	---	23,043
Vehicles	<u>18,881</u>	<u>29,881</u>	<u>18,881</u>	<u>29,881</u>
	<u>\$292,912</u>	<u>\$38,906</u>	<u>\$18,881</u>	<u>\$312,937</u>



WOODSTOCK TOWNSHIP  
Notes To Financial Statements  
March 31, 2004

**Proprietary Fund Fixed Assets -**

The following is a summary of changes in Proprietary Fund type assets for the fiscal year:

	<u>Balance 4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/04</u>
Sewer Plant	\$ 3,496,099	\$ ---	\$ ---	\$3,496,099
Office Equipment	1,200	---	---	1,200
Accumulated Depreciation	<u>(1,607,579)</u>	<u>(88,683)</u>	---	<u>(1,696,262)</u>
Net Book Value	<u>\$ 1,889,720</u>	<u>\$ (88,683)</u>	<u>\$ ---</u>	<u>\$1,801,037</u>

**Note 3: Interfund Receivables and Payables:**

Individual fund interfund receivable and payable balances at March 31, 2004, were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 91,357	
Sewer Fund	10,313	\$ 1,013
Fire Expense Fund	188,434	---
Street Lighting Fund	15,211	---
Trust and Agency	---	---
Current Tax Fund	---	209
	---	<u>304,093</u>
	<u>\$305,315</u>	<u>\$305,315</u>

**Note 4: Property Taxes:**

Real and property taxes are recorded as revenue in the year for which they are levied, provided they are collectible during that year or within 60 days following that year's end. Property tax revenues shown in the General Fund reflect the 2003 Township levy of .8238 mills on the assessed valuation of property located in the Township as of the preceding December 31.

**Note 5: Deposits and Investments:**

Deposits are carried at cost. Deposits of the Township are at two banks in the name of the Township. Act 217, P.A. 1982, authorizes the units of local government to deposit and invest in the accounts of Federally insured banks, insured banks, insured credit unions, and savings and loan associations; bonds and other direct obligations of the United States, or an agency or instrumentality of the United States government or Federal Agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the three highest classifications by not less than two standard rating services, which mature not more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

WOODSTOCK TOWNSHIP  
Notes To Financial Statements  
March 31, 2004

**Deposits -**

The captions on the combined balance sheet relating to cash and the amounts in the Total (Memorandum Only) column are as follows:

Cash and Cash Equivalents	\$850,074
Restricted Cash and Cash Equivalents	<u>16,155</u>
	<u>\$866,229</u>

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's cash deposits are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$101,027	\$101,027
Non-Insured	<u>765,202</u>	<u>765,202</u>
	<u>\$866,229</u>	<u>\$866,229</u>

The Township's deposits are in accordance with statutory authority.

**Note 6: Police and Fire Services:**

The Township maintains its own police force. Fire services are contracted and provide both fire and ambulance services to the Township.

**Note 7: Hospital Expenses:**

The Township provides financial support to the Addison Hospital Authority along with other local governmental units.

**Note 8: Long-Term Debt - Sewer Fund:**

During the fiscal year, on September 26, 2002 the Rollin-Woodstock Sanitary Drain bonds were refinanced. The revised bond issue amount was \$5,080,000, with Woodstock's share being 24% or \$1,219,200.

Bonds Payable - March 31, 2004	\$1,168,800
Less: Current Portion	<u>51,600</u>
<b>Total Long-Term Portion</b>	<u><b>\$1,117,200</b></u>

Principal payments over the next five years are as follows:

October 1, 2005	\$54,000
October 1, 2006	55,200
October 1, 2007	56,400
October 1, 2008	57,600
October 1, 2009	58,800

SUPPLEMENTARY INFORMATION

WOODSTOCK TOWNSHIP  
General Fund  
Schedule Of Revenues - Actual And Budget  
March 31, 2004

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<b><u>Taxes:</u></b>			
General Property Taxes:			
Property Taxes	\$ 98,738	\$ 94,665	\$ 4,073
Interest and Penalties	805	1,000	(195)
<b>Total Taxes</b>	<u>99,543</u>	<u>95,665</u>	<u>3,878</u>
<b>State Grants:</b>	<u>204,800</u>	<u>202,500</u>	<u>2,300</u>
<b>Licenses and Permits:</b>	<u>30,539</u>	<u>18,500</u>	<u>12,039</u>
<b><u>Other Revenues:</u></b>			
Collection Fees - Taxes and Licenses	570	250	320
Zoning Fees	5,700	5,000	700
Cemetery	850	500	350
Rents and Royalties	3,449	2,500	949
Interest	5,860	3,500	2,360
Fines and Forfeitures	3,697	5,000	(1,303)
Land Splits	3,000	3,000	---
Refunds and Rebates	7,480	10,000	(2,520)
Police Contract	7,980	500	7,480
Miscellaneous	4,899	---	4,899
<b>Total Other Revenues</b>	<u>43,485</u>	<u>30,250</u>	<u>13,235</u>
<b>Total General Fund Revenues</b>	<u>\$378,367</u>	<u>\$346,915</u>	<u>\$31,452</u>

WOODSTOCK TOWNSHIP  
General Fund  
Schedule Of Expenditures - Actual and Budget  
March 31, 2004

	Actual	Budget	Variance Favorable (Unfavorable)
<b>Legislative:</b>			
Accounting and Audit Fees	\$ 4,250	\$ 5,000	\$ 750
Attorney Services	9,498	9,000	(498)
Insurance and Bonds	10,826	20,550	9,724
Other	4,737	11,700	6,963
<b>Total Legislative</b>	<u>29,311</u>	<u>46,250</u>	<u>16,939</u>
<b>General Government:</b>			
<b>Township Board:</b>			
Salaries	4,800	4,800	---
Fringe Benefits	321	---	(321)
Transportation and Travel	400	400	---
Printing and Publishing	2,500	2,531	31
Memberships	2,917	3,000	83
<b>Total Township Board</b>	<u>10,938</u>	<u>10,731</u>	<u>(207)</u>
<b>Township Supervisor:</b>			
Salary	10,000	10,000	---
Fringe Benefits	765	300	(465)
Office Expense	54	---	(54)
Transportation and Travel	750	750	---
<b>Total Township Supervisor</b>	<u>11,569</u>	<u>11,050</u>	<u>(519)</u>
<b>Township Clerk:</b>			
Salary - Clerk	10,000	10,000	---
Salary - Deputy Clerk	323	3,000	2,677
Salary - Office Manager	1,750	3,000	1,250
Fringe Benefits	924	---	(924)
Office Expense	831	500	(331)
Travel Expense	---	200	200
<b>Total Township Clerk</b>	<u>13,828</u>	<u>16,700</u>	<u>2,872</u>
<b>Township Treasurer:</b>			
Salary - Treasurer	10,000	10,000	---
Salary - Deputy Treasurer	2,035	3,000	965
Fringe Benefits	1,087	---	(1,087)
Office Expense	3,698	4,000	302
Travel Expense	478	1,000	522
<b>Total Township Treasurer</b>	<u>17,298</u>	<u>18,000</u>	<u>702</u>
<b>Other:</b>			
Board of Review	86	1,000	914
Township Assessor	28,715	30,550	1,835
Cemetery Expenses	9,327	10,000	673
Township Building and Grounds	8,533	10,000	1,467
Planning Board	405	3,000	2,595
Elections	155	---	(155)
<b>Total Other</b>	<u>47,221</u>	<u>54,550</u>	<u>7,329</u>
<b>Total General Government</b>	<u>\$130,165</u>	<u>\$157,281</u>	<u>\$27,116</u>

WOODSTOCK TOWNSHIP  
General Fund  
Schedule Of Expenditures - Actual and Budget  
March 31, 2004

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Public Safety:</u></b>			
Building Inspector	\$ 23,569	\$ 21,275	\$ (2,294)
Zoning Inspector and Board of Appeals	5,520	6,000	480
Police Expenses and Operation	93,306	110,500	17,194
Fire Department Services	600	600	---
Road Appropriations	78,423	100,000	21,577
Addison Hospital Operations	15,600	20,600	5,000
<b>Total Public Safety</b>	<u>217,018</u>	<u>258,975</u>	<u>41,957</u>
<b>Total General Fund Expenditures</b>	<u>\$347,183</u>	<u>\$416,256</u>	<u>\$69,073</u>

WOODSTOCK TOWNSHIP  
Special Revenue Funds  
Combining Balance Sheet  
March 31, 2004

	<u>Fire Expense Fund</u>	<u>Street Lighting Fund</u>	<u>Liquor Law Enforcement Fund</u>	<u>Totals</u>
<b>Assets</b>				
Cash	\$ 97,538	\$11,217	\$ ---	\$108,755
Prepaid Expenses	---	---	---	---
Receivables:				
Taxes	26,390	1,175	---	27,565
Due From General Fund	694	69	---	763
Due From Tax Collection Fund	<u>187,740</u>	<u>15,142</u>	<u>---</u>	<u>202,882</u>
<b>Total Assets</b>	<u><b>\$312,362</b></u>	<u><b>\$27,603</b></u>	<u><b>\$ ---</b></u>	<u><b>\$339,965</b></u>
<b>Accounts Payable</b>				
Other Liabilities	\$ ---	\$ 1,189	\$ ---	\$ 1,189
Fund Balance - March 31, 2004	<u>312,362</u>	<u>26,414</u>	<u>---</u>	<u>338,776</u>
<b>Total Liabilities and     Fund Balance</b>	<u><b>\$312,362</b></u>	<u><b>\$27,603</b></u>	<u><b>\$ ---</b></u>	<u><b>\$339,965</b></u>

WOODSTOCK TOWNSHIP  
Special Revenue Funds  
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances  
March 31, 2004

	Fire Expense Fund	Street Lighting Fund	Liquor Law Enforcement Fund	Totals
<b>Revenues:</b>				
Special Assessment	\$233,506	\$16,317	\$ ---	\$249,823
State Grants	---	---	2,221	2,221
Interest	3,168	298	---	3,466
<b>Total Revenues</b>	<u>236,674</u>	<u>16,615</u>	<u>2,221</u>	<u>255,510</u>
<b>Expenditures:</b>				
Electricity	\$ ---	\$14,150	\$ ---	\$ 14,150
Salaries and Expenses - Law Enforcement	---	---	2,221	2,221
Fire, Ambulance Expenses	187,432	---	---	187,432
<b>Total Expenditures</b>	<u>187,432</u>	<u>14,150</u>	<u>2,221</u>	<u>203,803</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	49,242	2,465	---	51,707
<b>Fund Balances - April 1, 2003</b>	<u>263,120</u>	<u>23,949</u>	---	<u>287,069</u>
<b>Fund Balances - March 31, 2004</b>	<u>\$312,362</u>	<u>\$26,414</u>	<u>\$ ---</u>	<u>\$338,776</u>



WOODSTOCK TOWNSHIP  
Fire Expense Fund  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Actual And Budget  
March 31, 2004

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments - Current	\$233,506	\$230,000	\$ 3,506
Interest	3,168	---	3,168
 Total Revenues	 236,674	 230,000	 6,674
 <u>Expenditures:</u>			
Fire, Ambulance Expenses	187,432	213,849	26,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,242	16,151	33,091
Fund Balance - April 1, 2003	263,120	263,120	---
Fund Balance - March 31, 2004	\$312,362	\$279,271	\$33,091

WOODSTOCK TOWNSHIP  
Street Lighting Fund  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Actual And Budget  
March 31, 2004

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>			
Special Assessments - Current	\$16,317	\$16,217	\$ 100
Interest	<u>298</u>	<u>268</u>	<u>30</u>
<b>Total Revenues</b>	<u>16,615</u>	<u>16,485</u>	<u>130</u>
<b><u>Expenditures:</u></b>			
Utilities	<u>14,150</u>	<u>32,915</u>	<u>18,765</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	2,465	(16,430)	18,895
<b>Fund Balance - April 1, 2003</b>	<u>23,949</u>	<u>23,949</u>	<u>---</u>
<b>Fund Balance - March 31, 2004</b>	<u>\$26,414</u>	<u>\$ 7,519</u>	<u>\$18,895</u>

WOODSTOCK TOWNSHIP  
Liquor Law Enforcement Fund  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Actual And Budget  
March 31, 2004

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Michigan Liquor Licenses Refund	\$2,221	\$2,500	\$ (279)
<u>Expenditures:</u>			
Salary - Law Enforcement	<u>2,221</u>	<u>2,221</u>	<u>---</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	---	279	(279)
Fund Balance - April 1, 2003	<u>---</u>	<u>---</u>	<u>---</u>
Fund Balance - March 31, 2004	<u>\$ ---</u>	<u>\$ 279</u>	<u>\$ (279)</u>

WOODSTOCK TOWNSHIP  
Sewer Fund  
Balance Sheet  
For The Years Ended March 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 265,518	\$ 237,195
Accounts Receivable:		
Sewer Services	12,048	12,878
Due From Other Funds	10,313	10,862
Interest	---	38
<b>Total Current Assets</b>	<u>287,879</u>	<u>260,973</u>
 <b>Plant In Service:</b>		
Sewer System Plant	3,497,299	3,497,299
Less: Accumulated Depreciation	<u>1,696,262</u>	<u>1,607,579</u>
<b>Net Book Value</b>	<u>1,801,037</u>	<u>1,889,720</u>
 <b>Long-Term Contract Receivable</b>	<u>11,571</u>	<u>12,267</u>
<b>Total Assets</b>	<u>\$2,100,487</u>	<u>\$2,162,960</u>
 <b>Liabilities and Fund Equity</b>		
<b>Current Liabilities:</b>		
Current Portion of Bonds Payable	\$ 51,600	\$ 50,400
Accounts Payable	6,201	---
 <b>Long Term Liabilities:</b>		
Bonds Payable (Net of Current Portion)	<u>1,117,200</u>	<u>1,168,800</u>
<b>Total Liabilities</b>	<u>1,175,001</u>	<u>1,219,200</u>
 <b>Fund Equity:</b>		
Contributions in Aid of Construction:		
Environmental Protection Agency Grant	118,818	118,818
Water Resources Commission Grant	435,091	435,091
Total Contributions in Aid of Construction	<u>553,909</u>	<u>553,909</u>
Retained Earnings	<u>371,577</u>	<u>389,851</u>
<b>Total Fund Equity</b>	<u>925,486</u>	<u>943,760</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$2,100,487</u>	<u>\$2,162,960</u>

WOODSTOCK TOWNSHIP  
Sewer Fund  
Statement Of Revenues, Expenses And Changes In Retained Earnings  
For The Years Ended March 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>Operating Revenues:</b>		
Sewer Connections	\$ 5,900	\$ 3,000
Sewer Assessments	89,795	119,349
Sewer Usage	91,635	93,456
Penalties and Interest on Sewer Billing	<u>4,593</u>	<u>3,363</u>
<b>Total Operating Revenues</b>	<u>191,923</u>	<u>219,168</u>
 <b>Operating Expenses:</b>		
Sewer User Fees	93,723	69,074
Sewer Billing Expense	<u>2,037</u>	<u>9,214</u>
<b>Total Operating Expenses</b>	<u>95,760</u>	<u>78,288</u>
 <b>Net Operating Income (Loss) Before Depreciation</b>	96,163	140,880
<b>Less: Depreciation</b>	<u>88,683</u>	<u>88,683</u>
<b>Operating Income</b>	<u>7,480</u>	<u>52,197</u>
 <b>Non-Operating Revenues (Expenses):</b>		
Interest on Investments	4,096	2,917
Interest Expense	<u>(29,850)</u>	<u>(49,332)</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(25,754)</u>	<u>(46,415)</u>
 <b>Net Income (Loss)</b>	(18,274)	5,782
 <b>Retained Earnings - April 1, 2002</b>	<u>389,851</u>	<u>384,069</u>
 <b>Retained Earnings - March 31, 2004</b>	<u>\$371,577</u>	<u>\$389,851</u>

WOODSTOCK TOWNSHIP  
Sewer Fund  
Statement of Cash Flows  
For The Years Ended March 31, 2004 And 2003

	<u>2004</u>	<u>2003</u>
<b>Cash Flows From Operating Activities:</b>		
Net (Loss) Income	\$(18,274)	\$ 5,782
Adjustments to Reconcile Net Loss to Net Cash Provided By Operating Activities:		
Depreciation	88,683	88,683
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Receivables	868	(19,763)
(Increase) Decrease in Prepaid Expenses	549	---
(Increase) Decrease in Long-Term Contract Receivable	696	657
Increase in Accounts Payable	<u>6,201</u>	<u>---</u>
<b>Net Cash Provided By (Used For) Operating Activities</b>	78,723	75,359
<b>Net Cash Used For Investing Activities</b>		
Purchase of Property, Plant and Equipment	---	---
<b>Net Cash Provided By Capital and Related Financing Activities</b>		
Proceeds From Bonds Payable	<u>(50,400)</u>	<u>(21,600)</u>
<b>Increase (Decrease) In Cash</b>	28,323	53,759
<b>Cash and Cash Equivalents - Beginning</b>	<u>237,195</u>	<u>183,436</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$265,518</u>	<u>\$237,195</u>

WOODSTOCK TOWNSHIP  
Cemetery Endowment Fund  
Statement of Revenues, Expenditures And Changes In Fund Balance  
March 31, 2004

---

	Expendable Trust Fund
Revenues:	
Interest	\$ 16
Expenditures	---
Excess (Deficiency) of Revenues Over (Under) Expenditures	16
Fund Balance - April 1, 2003	<u>1,015</u>
Fund Balance - March 31, 2004	<u>\$1,031</u>

WOODSTOCK TOWNSHIP  
All Agency Funds  
Statement Of Changes In Assets, Liabilities And Fund Balance  
March 31, 2004

Current Tax Fund

	<u>Balance 4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/04</u>
<b>Assets:</b>				
Cash	<u>\$291,989</u>	<u>\$324,369</u>	<u>\$312,265</u>	<u>\$304,093</u>
<b>Liabilities:</b>				
Due to Fire & Ambulance Fund	\$175,631	\$207,740	\$195,631	\$187,740
General Fund	90,544	91,424	90,820	91,148
Street Light Fund	15,202	15,142	15,202	15,142
Sewer Fund	10,612	10,063	10,612	10,063
Due to Other Authorities	---	---	---	---
<b>Total Liabilities</b>	<u>\$291,989</u>	<u>\$324,369</u>	<u>\$312,265</u>	<u>\$304,093</u>

Trust And Agency Fund

	<u>Balance 4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/04</u>
<b>Assets:</b>				
Cash	<u>\$ 294</u>	<u>\$ 71,882</u>	<u>\$ 71,967</u>	<u>\$ 209</u>
<b>Liabilities:</b>				
Due to County	\$ ---	\$ 17,698	\$ 17,698	\$ ---
Due to Federal Government	---	18,833	18,833	---
Due to General Fund	294	5,779	5,864	209
Due to State Government	---	5,786	5,786	---
Due to Schools	---	23,786	23,786	---
<b>Total Liabilities</b>	<u>\$ 294</u>	<u>\$ 71,882</u>	<u>\$ 71,967</u>	<u>\$ 209</u>

Cemetery Endowment Fund

	<u>Balance 4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/04</u>
<b>Assets:</b>				
Cash	<u>\$ 1,015</u>	<u>\$ 16</u>	<u>\$ ---</u>	<u>\$ 1,031</u>
<b>Liabilities:</b>				
Due to Other Funds	---	---	---	---
<b>Fund Balance:</b>				
Designated	<u>1,015</u>	<u>16</u>	<u>---</u>	<u>1,031</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,015</u>	<u>\$ 16</u>	<u>\$ ---</u>	<u>\$ 1,031</u>



WOODSTOCK TOWNSHIP  
All Agency Funds  
Combining Statement Of Changes In Assets, Liabilities And Fund Balance  
March 31, 2004

	<u>Current Tax Fund</u>			
	<u>Balance 4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/04</u>
<b>Assets:</b>				
Cash and Fund Balance	<u>\$293,298</u>	<u>\$396,267</u>	<u>\$384,232</u>	<u>\$305,333</u>
<b>Liabilities:</b>				
Due to Sewer Fund	\$ 10,612	\$ 10,063	\$ 10,612	\$ 10,063
Fire & Ambulance Fund	175,631	207,740	195,631	187,740
Due to General Fund	90,838	97,203	96,684	91,357
Due to Street Light Fund	15,202	15,142	15,202	15,142
Due to Federal Government	---	18,833	18,833	---
Due to State Government	---	5,786	5,786	---
Due to Other Authorities	---	23,786	23,786	---
Fund Balance	<u>1,015</u>	<u>17,714</u>	<u>17,698</u>	<u>1,031</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$293,298</u>	<u>\$396,267</u>	<u>\$384,232</u>	<u>\$305,333</u>

WOODSTOCK TOWNSHIP  
Schedule Of General Fixed Assets  
March 31, 2004

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General Fixed Assets:

Land	\$ 15,265
Township Hall	239,748
Cement City Hall	5,000
Equipment	23,043
Police Car	<u>29,881</u>

Total General Fixed Assets	<u>\$312,937</u>
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Total Investment In General Fixed Assets	<u>\$312,937</u>
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# PHILIP R. RUBLEY

- Certified Public Accountant -

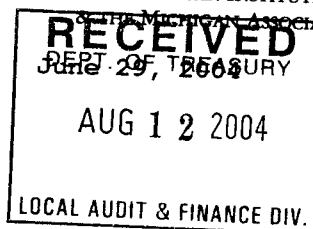
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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF  
AMERICAN INSTITUTE OF C.P.A.'s  
OF THE MICHIGAN ASSOCIATION OF C.P.A.'s



Township Board  
Woodstock Township  
Lenawee County  
Cement City, MI 49233

We have examined the combined financial statements of the Woodstock Township, Lenawee County, Michigan and the combining, individual fund and account group financial statements of the Township as of and for the year ended March 31, 2004, and have issued our report thereon dated June 29, 2004. As a part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgements by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgement, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgements required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our examination of the financial statements made in accordance with auditing standards generally accepted in the United States of America, including the study and evaluation of the Township's system of internal accounting control for the year ended March 31, 2004, that was made for the purpose set forth in the first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data.

Such study and evaluation disclosed the following conditions, which we consider to be material weaknesses for which corrective action by the management of Woodstock Township as recommended:

1. Building Inspections

Consider changing accounting procedures. Preferably have all permits paid at treasurer's office. The building inspector will tell the treasurer what the fee is off the applications. Detail accounting for permits issued during the final year with cross referencing of payments should be maintained. If not let us help you setup a different procedure for the inspectors.

2. Governmental Accounting Standard Board Statement No. 34 - Basic Financial Statements - And Management's Discussion And Analysis

Effective June 15, 2001 the Governmental Accounting Standard Board pronouncement 34 was set in motion. This changes many items in the reporting model. There are six major differences between the current model and statement 34.

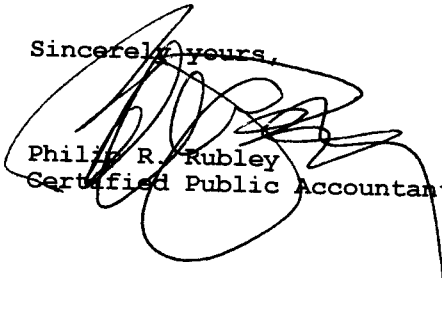
1. Key definitions for governmental reporting. The objective here is to enhance the understandability and usefulness of the general-purpose external financial reports to users. This will require government - wide financial statements along with fund financial statements.
2. Letter of Transmittal and Management Discussion and Analysis. The objective is for management to outline basic information; provide subjective analysis of projects and initiatives, describe service efforts and accomplishments and include descriptions of reporting requirements and acknowledgments.
3. Combined financial statements and government - wide reporting.
4. Infrastructure accounting and reporting.
5. Measurement focus and basis of accounting. The objective - full accrual accounting vs. modified accrual basis for government - wide statements. Fund statements will still be on accrual and modified accrual.
6. Revisions to Fund Financial Statements.

Effective date for Woodstock Township will be years beginning after June 15, 2003. It will be necessary to start by the end of next fiscal year March 31, 2004 to comply for fiscal year March 31, 2005.

The above mentioned conditions were considered in determining the nature, timing, and extent of audit tests to be applied to our examination of the financial statements, and this report does not modify our report dated June 29, 2004, on such financial statements.

If we can be of any further assistance, please do not hesitate in contacting us.

Sincerely yours,

  
Philip R. Rubley  
Certified Public Accountant